



House of Representatives

General Assembly

File No. 599

January Session, 2001

Substitute House Bill No. 6948

House of Representatives, May 3, 2001

The Committee on Judiciary reported through REP. LAWLOR of the 99th Dist., Chairperson of the Committee on the part of the House, that the substitute bill ought to pass.

AN ACT CONCERNING LOANS TO CRIME VICTIMS.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Section 54-210 of the general statutes is repealed and the
2 following is substituted in lieu thereof:

3 (a) The Office of Victim Services or a victim compensation
4 commissioner may order the payment of compensation under this
5 chapter for: (1) Expenses actually and reasonably incurred as a result
6 of the personal injury or death of the victim, provided coverage for the
7 cost of medical care and treatment of a crime victim who does not have
8 medical insurance or who has exhausted coverage under applicable
9 health insurance policies or Medicaid shall be ordered; (2) loss of
10 earning power as a result of total or partial incapacity of such victim;
11 (3) pecuniary loss to the spouse or dependents of the deceased victim,
12 including [zero to one per cent] loans of up to one hundred thousand
13 dollars, [with repayment beginning five years from the date the loan
14 was awarded,] provided the [family] spouse or dependents of the

15 deceased victim qualifies for compensation as a result of murder or
16 manslaughter of the victim; (4) pecuniary loss to the relatives or
17 dependents of a deceased victim for attendance at court proceedings
18 with respect to the criminal case of the person or persons charged with
19 committing the crime that resulted in the death of the victim; and (5)
20 any other loss, except as set forth in section 54-211, resulting from the
21 personal injury or death of the victim which the Office of Victim
22 Services or a victim compensation commissioner, as the case may be,
23 determines to be reasonable. At the discretion of said office or victim
24 compensation commissioner, there shall be one hundred dollars
25 deductible from the total amount determined by said office or victim
26 compensation commissioner. Loan funds awarded under subdivision
27 (3) of this subsection shall be used to pay for essential living expenses,
28 directly resulting from the loss of income provided by the deceased
29 victim, or preexisting financial obligations that are not otherwise
30 forgiven or excused, unless the applicant is a survivor of multiple
31 homicide victims who has received the maximum compensation
32 allowed under section 54-211, as amended by this act, for any claim
33 made under section 54-208. The loan applications of the spouse or
34 dependents of a deceased victim, as provided in subdivision (3) of this
35 subsection, shall be considered derivative of the claim of such victim
36 and the total loan funds awarded for all loan applications arising from
37 the death of such victim shall not exceed the maximum set forth in
38 subsection (d) of section 54-211, as amended by this act. The Office of
39 the Chief Court Administrator shall establish criteria, procedures and
40 forms for the application and repayment of such loans.

41 (b) Payment of compensation under this chapter may be made to a
42 person who is a recipient of public assistance, state-administered
43 general assistance or general assistance for necessary and reasonable
44 expenses related to injuries resulting from a crime and not provided
45 for by the income assistance program in which such person is a
46 participant. Unless required by federal law, no such payment shall be
47 considered an asset for purposes of eligibility for such assistance.

48 Sec. 2. Subsection (d) of section 54-211 of the general statutes is
49 repealed and the following is substituted in lieu thereof:

50 (d) No compensation shall be awarded for the first hundred dollars
51 of injury sustained and no such compensation shall be in an amount in
52 excess of fifteen thousand dollars except that such compensation to or
53 for the benefit of the dependents of a homicide victim shall be in an
54 amount not to exceed twenty-five thousand dollars. The claims of the
55 dependents of a deceased victim, as provided in section 54-208, shall
56 be considered derivative of the claim of such victim and the total
57 compensation paid for all claims arising from the death of such victim
58 shall not exceed a maximum of twenty-five thousand dollars. The loan
59 applications of the spouse or dependents of a deceased victim, as
60 provided in subdivision (3) of subsection (a) of section 54-210, as
61 amended by this act, shall be considered derivative of the claim of such
62 victim and the total loan funds awarded for all loan applications
63 arising from the death of such victim shall not exceed a maximum of
64 one hundred thousand dollars.

JUD *Joint Favorable Subst.*

The following fiscal impact statement and bill analysis are prepared for the benefit of members of the General Assembly, solely for the purpose of information, summarization, and explanation, and do not represent the intent of the General Assembly or either House thereof for any purpose:

OFA Fiscal Note

State Impact: Potential Significant Cost¹ (Criminal Injuries Compensation Fund)

Affected Agencies: Judicial Department (Office of Victim Services)

Municipal Impact: None

Explanation**State Impact:**

The bill could result in a potential significant cost to the Criminal Injuries Compensation Fund (CICF) appropriation to the Office of Victim Services (OVS) within the Judicial Department. The bill broadens the range of loan granting that OVS can make to victims. Current law² already allows loans to be made to victims but none have been granted since the program is not yet operational. For the purposes of establishing a loan program, the agency has released a Request for Proposal to financial institutions.

According to OVS, the potential number of applicants that could apply for a loan is about 500, but the agency is aware of only one person whom intends to apply for a loan. The number that would

¹ OFA defines significant as exceeding \$100,000.

² As included within PA 00-200, "AAC Victim's Rights."

actually apply and the amount that would actually be loaned is unknown. Due to the present financial status of the CICF, however, additional expenditures from the CICF could not occur without reducing assistance to other crime victims. (See Background)

Background

SHB 6668 (the state budget for the FY 01-03 biennium as favorably reported by the Appropriations Committee) transfers \$400,000 in cost liability from the CICF to the General Fund in order to address a decline in revenue to the CICF. The appropriation from the CICF to the agency has been reduced from \$1.9 million to \$1.5 million. In recent years, revenue into the CICF (about \$1.5 million - \$1.7 million) has not kept pace with expenditures and has resulted in the elimination of a balance in the fund.

OLR Bill Analysis**sHB 6948*****AN ACT CONCERNING LOW INTEREST LOANS TO CRIME VICTIMS.*****SUMMARY:**

This bill changes the terms and conditions of low interest loans available to the families of certain victims of murder or manslaughter. The Office of Victim Services (OVS) administers the loans.

Under current law, a deceased victim's spouse or dependent who qualifies for crime victim compensation is eligible for a loan of up to \$100,000 at a maximum interest rate of 1%. They must use it to pay essential living expenses that directly result from the loss of the victim's income or preexisting financial obligations that are not forgiven or excused. They must begin repaying the loan five years after it is awarded.

The bill:

1. eliminates the loan's maximum interest rate, thus giving OVS the discretion to set any rate;
2. eliminates the requirement that loan recipients begin repaying it within five years after receipt, thus allowing OVS to set any date for repayment to begin;
3. exempts the spouse or dependent of multiple homicide victims who has received the maximum amount of crime victims compensation (\$25,000) from the duty to use the loan to pay essential living expenses or preexisting financial obligations;
4. makes \$100,000 the total maximum for all loans deriving from the death of an individual; and

5. requires OVS, in addition to establishing loan procedures and forms, to establish loan criteria.

EFFECTIVE DATE: October 1, 2001

BACKGROUND

Crime Victim Compensation

OVS may compensate crime victims, or their immediate families when the victim is deceased, incapacitated, or a minor child, for reasonable and necessary expenses, lost wages, pecuniary losses, and other loss resulting from injury or death. Maximum awards are \$15,000 for personal injuries and \$25,000 for death. Eligible victims must have been injured or killed during (1) their attempt to prevent crime, aid police, or apprehend suspects; (2) attempts to commit, or actual commissions of, crime by another person; (3) international terrorism; or (4) another person's violation of enumerated motor vehicle offenses.

COMMITTEE ACTION

Judiciary Committee

Joint Favorable Substitute

Yea 38 Nay 0